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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/823,258	03/30/2001	Tsugufumi Matsuoka	263/117	7250

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EXAMINER	
DURAN, ARTHUR D	

ART UNIT	PAPER NUMBER
3622	

DATE MAILED: 09/21/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary	Application No.	Applicant(s)
	09/823,258	MATSUOKA, TSUGUFUMI
	Examiner	Art Unit
	Arthur Duran	3622

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☒ Responsive to communication(s) filed on 3/30/01.

2a)☐ This action is **FINAL**. 2b)☒ This action is non-final.

3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4)☒ Claim(s) 1-19 is/are pending in the application.

4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5)☐ Claim(s) _____ is/are allowed.

6)☒ Claim(s) 1-19 is/are rejected.

7)☐ Claim(s) _____ is/are objected to.

8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9)☐ The specification is objected to by the Examiner.

10)☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.

Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11)☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

a)☐ All b)☐ Some * c)☐ None of:

1.☐ Certified copies of the priority documents have been received.

2.☐ Certified copies of the priority documents have been received in Application No. _____.

3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1) ☒ Notice of References Cited (PTO-892)
2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
3) ☐ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08) Paper No(s)/Mail Date _____.
4) ☐ Interview Summary (PTO-413) Paper No(s)/Mail Date. _____.
5) ☐ Notice of Informal Patent Application (PTO-152)
6) ☐ Other: _____.

DETAILED ACTION

1. Claims 1-19 have been examined.

Claim Rejections - 35 USC § 101

35 U.S.C. 101 reads as follows:

> Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

2. Claims 1, 3-7, 10, 11, 14, 15, 17, 18 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter. These claims are rejected under 35 U.S.C. 101 because these claims have no connection to the technological arts. The method claims do not specify how the claims utilize any technological arts. For example, no network or server is specified. To overcome this rejection, the Examiner recommends that the Applicant amend the claim to specify or to better clarify that the method is utilizing a medium or apparatus, etc within the technological arts. Appropriate correction is required.

As an initial matter, the United States Constitution under Art. I, §8, cl. 8 gave Congress the power to "[p]romote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries". In carrying out this power, Congress authorized under 35 U.S.C. §101 a grant of a patent to "[w]hoever invents or discovers any new and useful process, machine, manufacture, or composition or matter, or any new and useful improvement thereof." Therefore, a fundamental premise is that a patent is a statutorily created vehicle for Congress to confer an exclusive right to the inventors for "inventions" that promote the progress of "science and the useful arts". The

phrase "technological arts" has been created and used by the courts to offer another view of the term "useful arts". See *In re Musgrave*, 167 USPQ (BNA) 280 (CCPA 1970). Hence, the first test of whether an invention is eligible for a patent is to determine if the invention is within the "technological arts".

Further, despite the express language of §101, several judicially created exceptions have been established to exclude certain subject matter as being patentable subject matter covered by §101. These exceptions include "laws of nature", "natural phenomena", and "abstract ideas". See *Diamond v. Diehr*, 450, U.S. 175, 185, 209 USPQ (BNA) 1, 7 (1981). However, courts have found that even if an invention incorporates abstract ideas, such as mathematical algorithms, the invention may nevertheless be statutory subject matter if the invention as a whole produces a "useful, concrete and tangible result." See *State Street Bank & Trust Co. v. Signature Financial Group, Inc.* 149 F.3d 1368, 1973, 47 USPQ2d (BNA) 1596 (Fed. Cir. 1998).

This "two prong" test was evident when the Court of Customs and Patent Appeals (CCPA) decided an appeal from the Board of Patent Appeals and Interferences (BPAI). See *In re Toma*, 197 USPQ (BNA) 852 (CCPA 1978). In *Toma*, the court held that the recited mathematical algorithm did not render the claim as a whole non-statutory using the Freeman-Walter-Abele test as applied to *Gottschalk v. Benson,* 409 U.S. 63, 175 USPQ (BNA) 673 (1972). Additionally, the court decided separately on the issue of the "technological arts". The court developed a "technological arts" analysis:

> The "technological" or "useful" arts inquiry must focus on whether the claimed subject matter...is statutory, not on whether the product of the claimed subject matter...is statutory, not on whether the prior art which the claimed subject matter purports to replace...is statutory, and not on whether the claimed subject matter is presently perceived to be an improvement over the prior art, e.g., whether it "enhances" the operation of a machine. *In re Toma* at 857.

In *Toma*, the claimed invention was a computer program for translating a source human language (e.g., Russian) into a target human language (e.g., English). The court found that the claimed computer implemented process was within the "technological art" because the claimed invention was an operation being performed by a computer within a computer.

The decision in *State Street Bank & Trust Co. v. Signature Financial Group, Inc.* never addressed this prong of the test. In *State Street Bank & Trust Co.,* the court found that the "mathematical exception" using the Freeman-Walter-Abele test has little, if any, application to determining the presence of statutory subject matter but rather, statutory subject matter should be based on whether the operation produces a "useful, concrete and tangible result". See *State Street Bank & Trust Co.* at 1374. Furthermore, the court found that there was no "business method exception" since the court decisions that purported to create such exceptions were based on novelty or lack of enablement issues and not on statutory grounds. Therefore, the court held that "[w]hether the patent's claims are too broad to be patentable is not to be judged under §101, but rather under §§102, 103 and 112." See *State Street Bank & Trust Co.* at 1377. Both of these analysis goes towards whether the claimed invention is non-statutory because of the presence of an abstract idea. Indeed, *State Street* abolished the Freeman-Walter-Abele test used in *Toma*. However, State Street never addressed the second part of the analysis, i.e., the "technological arts" test established in *Toma* because the invention in *State Street* (i.e., a computerized system for determining the year-end income, expense, and capital gain or loss for the portfolio) was already determined to be within the technological arts under the *Toma* test. This dichotomy has been recently acknowledged by the Board of Patent Appeals and Interferences (BPAI) in

affirming a §101 rejection finding the claimed invention to be non-statutory. See *Ex parte Bowman*, 61 USPQ2d (BNA) 1669 (BdPatApp&Int 2001).

In the current application, no technological art (i.e., computer, network, server) is being utilized by claims 1, 3-7, 10, 11, 14, 15, 17, 18. At least one step of the body of the claims must explicitly utilize the technological arts. All steps in the body of the cited claims can be performed manually by a human. For example, in claim 1, a human can watch a computer screen to detect whether a user has accessed a predetermined page. Appropriate correction is required.

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

3. Claim 1, 3-5, 8-19 are rejected under 35 U.S.C. 103(a) as being unpatentable over Auxier (6,379,251) in view of Slotznick (6,011,537) in further view of Furry (5,511,784).

Claim 1, 3, 4, 5, 15, 14, 17, 18: A prize awarding method, apparatus comprising:

detecting access from a user via a network to a predetermined page (col 1, line 65-col 2, line 8);

initiating a prize awarding process providing amusement when the access is detected (col 2, line 4-8; Fig. 4); and

allowing the user win a prize at the end of the process based on a certain probability (col 2, lines 36-40; col 7, lines 24-46).

Auxier further discloses that the process is completed before the user gains access to arbitrary information residing inside or outside the page (col 2, lines 28-47).

Auxier further discloses tracking time parameters (col 6, lines 62-67; col 2, lines 47-55).

Auxier further discloses making the game inducement exciting (Fig. 4, item 430) and controlling game parameters to make the game exciting (col 7, lines 24-56).

Auxier does not explicitly disclose that the process is carried out at a moderate speed so that the user can understand progress of the process.

However, Slotznick discloses that the process is carried out at a moderate speed so that the user can understand progress of the process (col 9, lines 42-54).

Slotznick further discloses that the user's access to arbitrary information is locked until the process is completed (col 9, lines 42-54).

Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to add Slotznick's controlled time delay before accessing information to Auxier's gaming inducement. One would have been motivated to do this in order to provide further control of parameters that can make the game more exciting.

Auxier further discloses varying the probability of winning (col 8, lines 47-65; col 7, lines 24-46).

Auxier does not explicitly disclose and manipulating the probability based on frequency of access by the user.

However, Furry discloses manipulating the probability in any way based on frequency of access by the user or based on any access pattern or history of the game (col 9, line 60-col 20, line 22).

Furry further discloses that the scheme of the manipulation is indicated to the user (col 10, lines 5-10).

Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to add Furry's specifically controlled probability parameters to Auxier's controlled probability parameters. One would have been motivated to do this in order to provide further merchant control of winning probabilities.

Claim 8, 9, 16, 19: Auxier, Slotznick, and Furry disclose the method of claim 1, 3, and Auxier further discloses that the process is executed and representation of a sponsor of the prize is built into the process and displayed on the user's information terminal (Fig. 4).

Claim 10: Auxier, Slotznick, and Furry disclose the method of claim 1, 3, and Auxier further discloses that the network is the Internet and wherein the page is a page viewed on a WWW browser (col 1, lines 10-15; col 4, lines 25-31).

Claim 12: Auxier, Slotznick, and Furry disclose the method of claim 1, 3.

Auxier further discloses a variety of gaming functions including casino type games(col 7, lines 24-46).

Auxier does not explicitly disclose includes running a virtual slot machine and offering a prize for a rare combination of figures.

However, Furry discloses that the process includes running a slot machine with virtual reels and offering a prize for a rare combination of figures (col 2, lines 5-20; Fig. 2; Fig. 5).

Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to Furry's slot machine to Auxier's varied gaming functions. One would have been motivated to do this in order to present a game option that would be attractive to many users.

4. Claim 2 is rejected under 35 U.S.C. 103(a) as being unpatentable over Auxier (6,379,251) in view of Slotznick (6,011,537) in further view of Furry (5,511,784) and in further view of Dewa (6,230,279).

Claim 2: Auxier, Slotznick, and Furry disclose the method of claim 1.

Slotznick discloses that processing speed can be controlled as stated above.

Auxier nor Slotznick does not explicitly disclose that the process is carried out at moderate speed by decreasing CPU performance.

However, Dewa disclose that a process can be carried out at a moderate speed by decreasing CPU performance (Fig. 1, Fig. 2, Fig. 4, Fig. 8; col 3, lines 17-25)

Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to add Dewa's CPU performance control to Auxier's game inducements. One would have been motivated to do this in order to provide better parameter control to make the game inducements more exciting.

5. Claim 6, 7 are rejected under 35 U.S.C. 103(a) as being unpatentable over Auxier (6,379,251) in view of Slotznick (6,011,537) in further view of Furry (5,511,784) and in further view of Meystel (6,102,958).

Claim 6, 7: Auxier, Slotznick, and Furry disclose the method of claim 3.

Auxier further discloses tracking different time spans (col 6, lines 62-67; col 2, lines 47-55).

Furry further discloses determining the frequency in a number of different time spans (col 10, lines 14-21).

Auxier nor Furry disclose that the frequency is determined using multi-resolutional analysis and wherein the probability is adjusted according to the evaluation.

However, Meystel discloses that the parameters can be determined using multi-resolutional analysis and wherein the parameters are adjusted according to the evaluation (col 1, lines 5-11; col 28, lines 49-60).

Meystel further discloses analyzing different time periods (col 2, lines 7-13)

Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to add Meystel's multi-resolution analysis the Auxier and Furry's determining of optimal win probabilities. One would have been motivated to do this in order to provide a further, advanced analysis tool for determining optimal win probabilities.

Conclusion

The following prior art made of record and not relied upon is considered pertinent to applicant's disclosure:

a. Eggleston (6,061,660) discloses a variety of gaming functions with multivariate control over gaming parameters including win probabilities and customizing games based on user or game history;

b. Walker (6,520,856) discloses controlling win probabilities based upon game access history.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Arthur Duran whose telephone number is (703)305-4687. The examiner can normally be reached on Mon- Fri, 7:30-4:00.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Eric Stamber can be reached on (703)305-8469. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see http://pair-direct.uspto.gov. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

AD

4/30/04